

ISG Star of Excellence™ – Annual 2022 CX Index

Annual report on technology CX trends



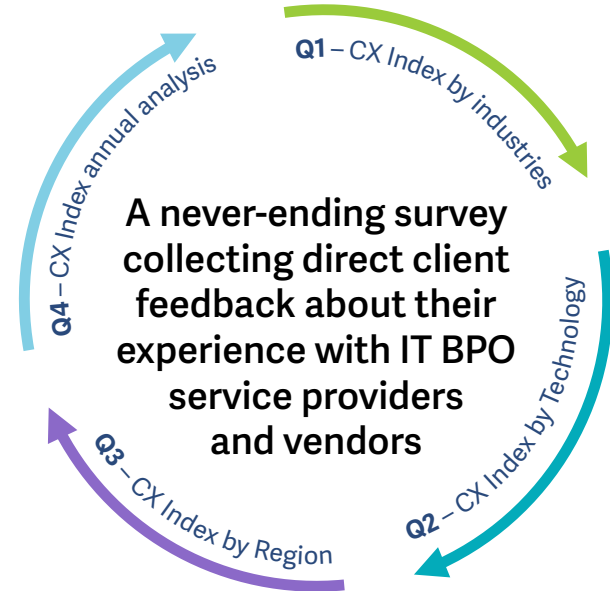
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ISG Star of Excellence™ (SoE) CX Index

Welcome to the fourth edition of the ISG Star of Excellence™ CX Index, the fourth in a series of reports that will shed light on what enterprise buyers really think about their providers. The ISG CX Index is the only research series of its kind based on continuous feedback from enterprise customers, gathered through ISG's ongoing Voice of the Customer survey.

This fourth ISG CX Index annual report summarizes customer experience across the entire provider landscape, viewed within the context of broader industry and geographic trends and technology developments.

We hope you find the insights contained in this annual report interesting and valuable. We welcome your feedback.



[Q1 CX Index by Industries](#)

[Q2 CX Index by Technology](#)

[Q3 CX Index by Region](#)



What defines Tech industry CX?

ISG identifies six categories that define customer experience in the IT BPO services and technology industry.

- Clients are asked to rate the importance of each of the six categories and then rate their service provider/vendor on each, on a scale of 1-100
- CX scores can be generated across industries, regions and technology domains and for each service provider/vendor

Six categories of customer experience:

1. 1. Business Continuity and Flexibility

2. 2. Governance and Compliance

3. 3. Execution and Delivery

Overall CX score =
Sum of CX Scores
(customer experience score out of 100 * relative category importance) for each category in context of regions, industries and technologies

**weighted averaged method*

4. 4. People and Cultural Fit

5. 5. Collaboration and Transparency

6. 6. Innovation and Thought Leadership





Major Findings & Customer Insights

In 2022, the average overall customer experience (CX) rating of service providers in the ITO and BPO segments was 62.4, with the lowest rating at 35 and the highest rating at 95.

- Overall, the companies' satisfaction with IT service providers was at a slightly above-average level according to the rating scale.

With COVID-19 conditions still lingering, 'Innovation and Thought Leadership' was of the least importance to companies in terms of expectations from IT service providers, who are often expected to be partners in digital transformation. Service providers received the lowest satisfaction rating for this CX category, despite the low expectations, because they are rarely able to deliver innovative solutions as part of continuous service improvement (CSI).

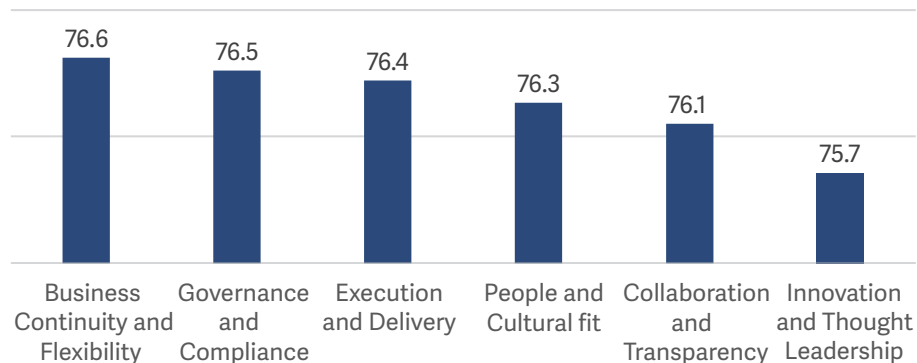
- The lack of industry-specific capabilities was identified as the cause for low importance and

satisfaction with innovation in collaboration. In addition, service providers and their employees are challenged with adapting to the customer's work culture, communication methods and customs. They must possess the qualities or skills required to address today's business challenges.

In 2022, companies focused on three important areas, namely, 'Collaboration and Transparency,' 'Business Continuity and Flexibility' and 'Execution and Delivery' when working with service providers.

- This prioritization is hardly surprising, considering the turbulent economic conditions and major uncertainties that test any company, no matter how well-positioned, regarding business security (e.g., migration to a public cloud and related changes in the target operating model (TOM) or significant IT governance). Macro- and micro-economic changes

Enterprise Satisfaction Scores with Providers by CX Categories



Very Dissatisfied = 0 and Very Satisfied = 100

require effective and efficient communication, collaboration and adaptability to ensure permanent delivery capability under changing conditions (e.g., remote work or supplier changes, or system changes as part of the organizational change).

- Service providers received the highest satisfaction scores for 'Business Continuity and Flexibility' and 'Governance and Compliance' for their flexibility in meeting changing business needs due to COVID-19 and maintaining security measures to



2022 Overall CX – Executive Summary

keep the IT infrastructure secured. In this context, interestingly, 'Collaboration and Transparency' was the most important CX category for companies. Based on ISG's experience as a global intermediary and sourcing specialist, many partnerships suffer from a lack of contract transparency and its discussion and thus agreed services. On a positive note, the ISG Star of Excellence CX survey (which takes place on an ongoing basis) shows that user companies and service recipients globally are visibly grateful for business continuity and flexibility. IT service providers and partners always try and, despite certain weaknesses in innovating, show themselves to be flexible to stay on course together and improve the partnership.



2022 CX Insights by Technologies

ISG received an average of 230 responses for 27 technology areas, which ISG tracks under its [ISG Provider Lens](#) program.

From a technology perspective, clients considered 'Collaboration and Transparency,' 'Governance and Compliance,' and 'Business Continuity and Flexibility' of prime importance while evaluating various technologies and IT services. However, service providers saw high satisfaction scores for two CX categories, namely, 'Innovation and Thought Leadership' and 'Business Continuity and Flexibility' for evaluated technology areas.

Technology Areas covered in 2022

Amazon Web Services (AWS)	Engineering Services	Microsoft Ecosystem
Analytics and Big Data	Enterprise Service Management	Oracle Ecosystem
App Dev and Maintenance	Finance and Accounting	Payroll
BPO Procurement	Future Workplace	Salesforce Ecosystem
Cloud Computing	Google Ecosystem	SAP Ecosystem
Contact Center	Intelligent Automation & AI	ServiceNow Ecosystem
Container (Cloud Native)	IoT and Edge Computing	Software Defined Networking
Cyber Security	Mainframes	Talent Management/HR Tech
Digital Transformation (e.g., Blockchain/Sustainability)	Marketing Technologies	Workday Ecosystem



Highest CX Score Technologies

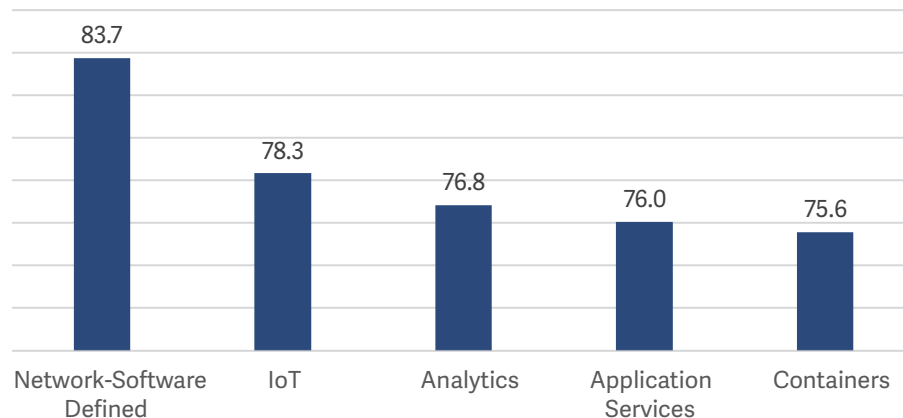
Network- Software Defined, IoT, Analytics, Application Services, and Containers saw higher-than-average CX score from clients.

- Network- Software Defined received the highest CX score of 83.7. Clients trying to achieve flexibility, speed and collaboration internally, across and outside of enterprise boundaries are securely leveraging Network-Software Defined technologies. Clients were delighted with the quality of service delivery and emerging technologies leveraged to safeguard the networks. However, clients expect service providers to develop deeper relationships with stakeholders.
- Internet of Things (IoT) technologies received the second-highest CX score from clients. Service providers were successful in garnering high satisfaction scores for using emerging technologies around data, AI, ML

and others in addressing business demands and scalable solutions to deliver measurable ROI on IoT investments. Clients expect service providers to continue improving their ability to provide insights into their projects, workload and timelines as the number of IoT devices (both consumer and enterprise) grow due to IT/OT convergence. Businesses are continuously seeking deeper insights and control through a single unified view of the IT/OT value delivery.

- In 2022, Analytics technologies obtained the third-highest CX score for service providers' quick adaptability to address business needs arising from the impacts of the COVID-19 pandemic. Analytics technologies remain central to clients' focus on business performance and improving customer experience. 'Innovation and Thought Leadership' and 'People and Cultural

Key Five Technologies with High CX Score



Very Dissatisfied = 0 and Very Satisfied = 100

'Fit' were the two least important areas for which clients leveraged analytics technologies. Service providers must improve talent availability, active communication with stakeholders and seamless handover of procedures.

- Application Services is another area that received a higher-than-average CX score for service providers' ability to deliver high-quality work. Service providers and clients continue to adopt, collaborate and expand agile, DevOps and DevSecOp





Highest CX Score Technologies

methodologies and initiatives, which made 'Collaboration and Transparency' an area of high importance for clients.

- Service providers delivering container services were evaluated on two CX categories: "Collaboration and Transparency" and "Execution and Delivery". Clients were highly satisfied with the consistent delivery of high-quality work and limited service downtime from service providers. Services providers are expected to deliver innovation through continuous service improvement and should be adaptable to the client's culture and communication methods.



Lowest CX Score Technologies

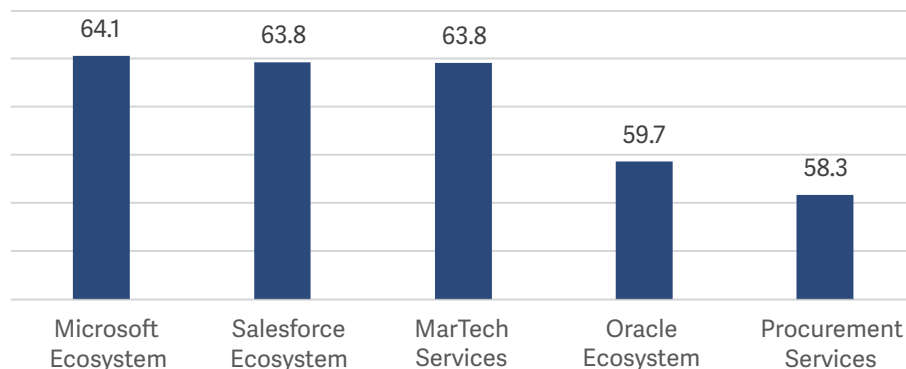
On the other hand, Procurement Services, Oracle Ecosystem, Marketing Technology Services, Salesforce Ecosystem and Microsoft Ecosystem received lower-than-average CX scores from the client community.

- In 2022, Procurement Services received a lower-than-average CX score from clients that held 'Governance and Compliance' and 'Business Continuity and Flexibility' as areas of high importance during the disruptions caused by the COVID-19 pandemic. Service providers gained higher satisfaction scores for quickly adapting to business demands during the pandemic and demonstrating new work methods, techniques or tools. However, they can improve their handoffs between their staff and client teams.
- Although service providers focused

on delivering Oracle Cloud, on-premises application services received the second-lowest CX score from enterprises due to the scarcity of subject matter expertise around Oracle solutions and the inability to adapt to clients' culture. 'Governance and Compliance' remained an important area for clients while engaging with service providers and saw high satisfaction for service providers' ability to keep the Oracle workloads (both cloud and non-cloud deployment models) secure during the COVID-19 pandemic.

- During the COVID-19 pandemic, clients witnessed budget restrictions on their MarTech investments, which made 'Business Continuity and Flexibility' and 'Collaboration and Transparency' important areas to engage with service providers. Service providers saw high satisfaction scores for their ability

Key Five Technologies with Low CX Score



Very Dissatisfied = 0 and Very Satisfied = 100

to ensure limited downtime and maintain effective cybersecurity measures but struggled to provide agreed resources to clients, which impacted the satisfaction score for 'Execution and Delivery.'

- Service providers offering a spectrum of implementation, integration and managed services around Salesforce solutions saw higher satisfaction scores in three areas, namely, keeping salesforce workloads secure,



Lowest CX Score Technologies

having a solid understanding of industry-specific business needs and delivering innovation through new processes and tools. However, clients expect service providers to improve transparency by communicating insights around Salesforce projects, workloads and delivery timelines.

- Microsoft is one of the key technology providers forming the bedrock of digital transformation strategies for clients of all sizes. Service providers are helping clients derive value from investments made in Microsoft offerings by consulting, implementing and integrating them within the enterprise infrastructure. The ability of service providers to customize their delivery models and leverage emerging technologies to meet business objectives was met with high satisfaction among enterprises. However, service providers struggled with inadequate

skills and a lack of technology familiarity impacted their ability to execute and deliver. 'Innovation and Thought Leadership' were less critical for clients while engaging with Microsoft ecosystem service providers.



ISG received an average of 109 responses across 12 verticals, which ISG tracks as part of the [Star of Excellence \(SoE\) program](#).

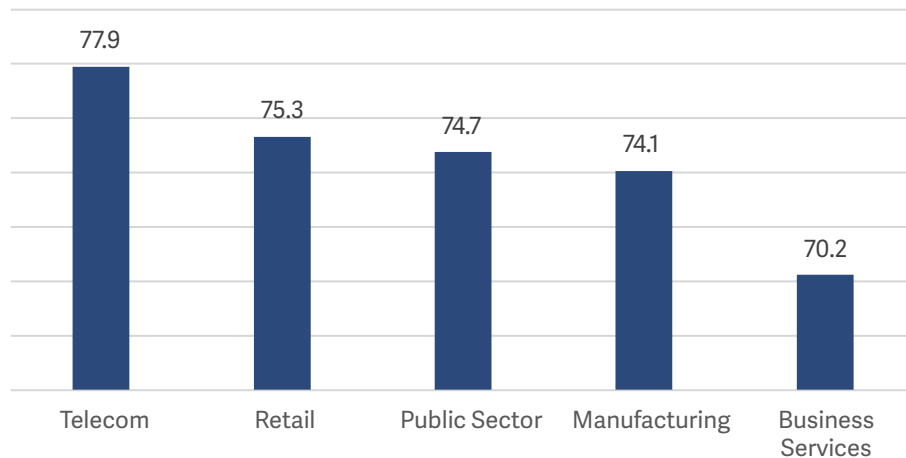
From a vertical perspective, clients globally considered 'Collaboration and Transparency,' 'Business Continuity and Flexibility' and 'Execution and Delivery' of prime importance while working with services providers. However, service providers saw high satisfaction scores for CX categories 'Business Continuity and Flexibility,' 'Execution and Delivery' and 'Governance and Compliance' for evaluated industry areas.

Telecom, retail, public sector, manufacturing and business services industries saw a higher-than-average CX score from the client community. Though the telecom industry saw a higher-than-average CX score, it received the least number of responses.

Highest CX Score Verticals

- The telecommunications industry continued to make headway in technological, regulatory and market competitiveness aspects. Service providers ensured smooth service transition from the telecom clients or incumbent service providers, limited-service downtime and maintained a high quality of service, which led to a higher-than-average CX score. 'Innovation and Thought Leadership' was of minor importance to the telecom players but saw a higher-than-average satisfaction score for using emerging technologies, delivering CSI and demonstrating value with new tools and methodologies. Hiring subject matter experts with relevant skills remains a concern for telecom players.

Key Five Verticals with High CX Score



Very Dissatisfied = 0 and Very Satisfied = 100

- The global pandemic accelerated e-commerce and saw retailers adapt to new sales channels pushing them toward omnichannel retail to deliver seamless and unified customer

experience. 'Business Continuity and Flexibility,' 'Collaboration and Transparency' and 'Execution and Delivery' were the three areas of priority for the retailers. This pushed



service providers to proactively engage with retailers and quickly adapt and deliver on their business needs or address issues during the COVID-19 pandemic, resulting in higher satisfaction scores. However, service providers struggled with on-time deliveries and could not drive innovation through CSI.

- The public sector continued to be challenged by private-sector organizations to improve customer experience through digital transformation initiatives. Digital transformation is helping public sector organizations broaden their focus from one department to the whole-of-government approach* to benefit from many opportunities. Service providers could proactively adapt and engage with the departments to resolve issues or address any demand resulting in

a higher-than-average satisfaction score. Surprisingly, 'Execution and Delivery' was of the least importance, and 'Business Continuity and Flexibility' was crucial for public-sector organizations.

- The manufacturing industry remains the focal point for innovations and industrial breakthroughs where they need continuous improvement support from their service providers. Though 'Governance and Compliance' were of the highest importance for manufacturing clients, timely execution of projects by service providers helped gain higher-than-average satisfaction scores. Service providers should focus on demonstrating new work methods, practices or tools to showcase their innovation and thought leadership capabilities.

- In 2022, service providers saw higher-than-average satisfaction scores for maintaining a high quality of work and understanding the business services industry-specific needs of clients. However, they must improve the service transitioning process between their and client teams.



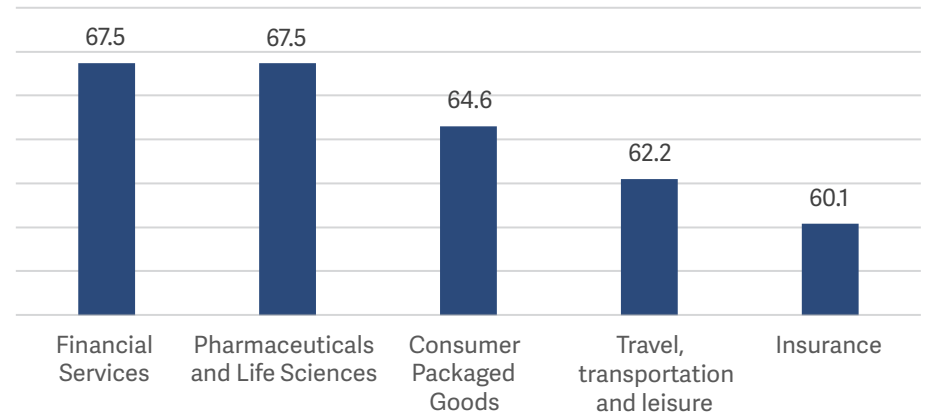
Lowest CX Score Verticals

- Insurance, travel, transportation and leisure, consumer packaged goods, pharmaceuticals and life sciences, and financial services industries saw a lower-than-average CX score from the client community. Though the Telecom industry saw a higher-than-average CX score, it received the least number of responses.
- The insurance industry continues to identify avenues to reconsider and innovate customer lifecycle, which made two CX categories, 'Innovation and Thought Leadership' and 'Collaboration and Transparency,' of high importance to the clients. 'Governance and Compliance' is the least important factor while working with service providers considering clients handle sensitive personally identifiable information

(PII). Service providers witnessed higher-than-average satisfaction scores for a strong understanding of the insurance industry and business processes and helping them to maintain a proactive posture toward increased cyber threat activities. However, insurance clients expect service providers to improve service transitioning with client teams or incumbent service providers.

- Travel, transportation and leisure took massive hits from the COVID-19 pandemic and slowly showed signs of recovery in 2022. 'Collaboration and Transparency' were of the highest importance for the clients to engage with service providers to manage the capacity and pricing models and leverage innovation. However, clients showed satisfaction with the service providers' ability to quickly adapt to address demand changes during

Key Five Verticals with Low CX Score



Very Dissatisfied = 0 and Very Satisfied = 100

the pandemic and secure their IT infrastructure.

- The consumer-packaged goods industry is witnessing continued disruption with rising price pressure,

shifting consumer preferences, expanding e-commerce channels and usage of digital technologies. Leveraging emerging technologies, delivering high-quality work and seamless service transition with



client teams or incumbent service providers were the three factors driving higher-than-average satisfaction scores for service providers. However, service providers struggle to maintain active contact with client stakeholders. client teams or incumbent service providers were the three factors.

- The pharmaceuticals and life sciences industry is slowly learning from consumer-facing industries that customer experience (as patients or prescribers) is critical. This relates to the two CX categories, 'Execution and Delivery' and 'Collaboration and Transparency,' which are vital for pharmaceuticals and life sciences clients. Similarly, service providers were able to customize their delivery to meet client objectives, which helped increase satisfaction scores. Service providers should strive

to deliver innovation as part of continuous improvement.

- Financial services remained the leading industry to test and implement new technologies, turning them into a technology powerhouse. Financial services firms regard 'Collaboration and Transparency' and 'Business Continuity and Flexibility' as important, considering their priority to improving customer experience and operational efficiency. Consistent, high-quality service delivery tailored as per clients' business objectives and effective cybersecurity measures were the two areas that enriched the customer experience for financial services clients.



2022 CX Insights by Regions

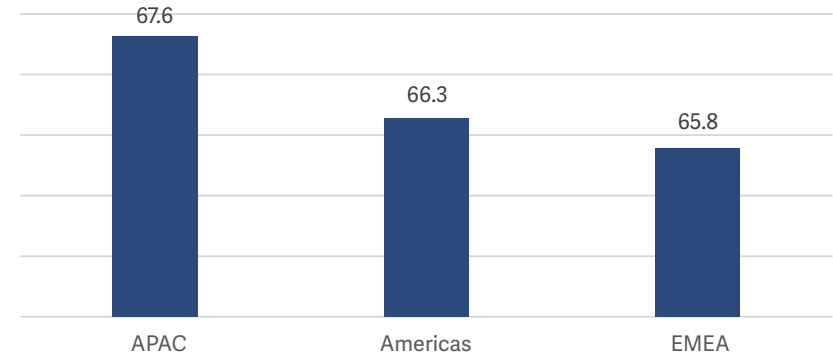
ISG received an average of 1,196 responses across three regions, which ISG tracks as part of the [Star of Excellence \(SoE\) program](#).

- From a regional perspective, clients considered 'Execution and Delivery,' 'Collaboration and Transparency' and 'Business Continuity and Flexibility' of prime importance globally while working with services providers. On the other hand, service providers saw high satisfaction scores for CX categories 'Business Continuity and Flexibility' and 'Governance and Compliance' for evaluated geographies.
- Regionally, clients were delighted with service providers' ability to quickly adapt to address business needs during the COVID-19 pandemic and maintain effective cybersecurity measures to keep safeguard from increasing cyberattacks (mainly

ransomware). Out of the six categories of customer experience (CX), 'Execution and Delivery,' 'Collaboration and Transparency' and 'Business Continuity and Flexibility' were of high importance for clients across the regions. The COVID-19 pandemic significantly impacted clients' ability to respond to their customer needs and secure their IT infrastructure from a seismic increase in cyberattacks.

- APAC clients were highly satisfied with how service providers kept their IT systems available with limited downtime and maintained or improved cybersecurity measures to stay off-radar of cyber adversaries. APAC clients expect the service providers to demonstrate innovation and thought leadership through new work methods, techniques or tools.
- Service providers saw high satisfaction scores from clients in the Americas

CX Score by Regions



Very Dissatisfied = 0 and Very Satisfied = 100

for their ability to quickly adjust to business needs, maintain high service quality and maintain a proactive cybersecurity posture toward cyber threats. However, service providers need to enhance their CSI capabilities to deliver innovation for their clients in the Americas.

- EMEA recorded the lowest customer experience (CX) score. Clients struggled with service providers to gain access to specific talent and skills and identify new features, processes or methodologies to drive innovation-led culture and mindset internally.



2022 ISG Star of Excellence™ Awards

The ISG Star of Excellence Awards, part of the ISG Provider Lens™ research program, is the premier industry recognition program for the technology and business services industry. Providers are ranked on the quality of their services based on direct feedback from enterprise customers in the areas of 'Business Continuity and Flexibility,' 'Collaboration and Transparency,' 'Execution and Delivery,' 'Governance and Compliance,' 'Innovation and Thought Leadership' and 'People and Cultural Fit.'

Award Criteria: Eligibility criteria for ISG Star of Excellence™ Awards: Providers need to have a minimum of 30 percent of responses via independent sources (public survey link). In addition, each category has the following eligibility criteria. Previous Star of Excellence (SoE) CX Award Winners – [2021](#), [2020](#), [2019](#).



2022 Overall Star of Excellence Awards (Service & Technology Providers)

Criteria:

- Minimum 20 responses
- At least 30 percent responses from independent sources
- Above-average overall CX score
- Customer response coverage across all regions, 75 percent industries and technologies

2022 Universal Region Award - Across All Regions

Criteria:

- Minimum 20 responses
- Above-average overall CX scores for each region



Award Criteria: Eligibility criteria for ISG Star of Excellence™ Awards: Providers need to have a minimum of 30 percent of responses via independent sources (public survey link). In addition, each category has the following eligibility criteria. Previous Star of Excellence (SoE) CX Award Winners – [2021](#), [2020](#), [2019](#).



2022 Universal Technology Award

Criteria:

- Minimum 20 responses
- Responses in 75 percent of technologies covered
- Above-average overall CX scores across technologies

2022 Universal Industry Awards

Criteria:

- Minimum 10 responses
- Responses in 75 percent of industries covered
- Above-average overall CX score across industries



Award Criteria: Eligibility criteria for ISG Star of Excellence™ Awards: Providers need to have a minimum of 30 percent of responses via independent sources (public survey link). In addition, each category has the following eligibility criteria. Previous Star of Excellence (SoE) CX Award Winners – [2021](#), [2020](#), [2019](#).



2022 Universal Emerging Tech

Criteria:

- Minimum 20 responses
- Responses for each emerging technology
- Above-average overall CX scores across all emerging technologies

2022 Regional Awards

Criteria:

- Received an above-average number of responses for the respective region
- Received above-average overall CX score for the respective region



Award Criteria: Eligibility criteria for ISG Star of Excellence™ Awards: Providers need to have a minimum of 30 percent of responses via independent sources (public survey link). In addition, each category has the following eligibility criteria. Previous Star of Excellence (SoE) CX Award Winners – [2021](#), [2020](#), [2019](#).



2022 Emerging Tech Providers

Criteria:

- Responses from respective technology
- Above-average overall CX score for respective technology

2022 Industry Awards

Criteria:

- Responses from respective industries
- Above-average overall CX score for the respective industry

2022 Technology Awards

Criteria:

- Responses from respective technology
- Above-average overall CX score for respective technology



Author & Editor Biographies

Author



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Senior Manager and Principal Analyst

Arun is Principal Analyst and Sr. Research manager at ISG Research. He has more than 16 years of experience as a technology analyst and advisor with strong product strategy, industry research and consulting skills. Have worked closely with multiple stakeholders in the technology domain delivering projects around product development and strategy, go-to-market strategy, patent (intellectual property) research, competitive intelligence, and M&A advisory. He has published multiple research studies on enterprise applications, security,

and managed workplace services. Based out of ISG Bangalore office, Arun is responsible for delivering the ISG provider lens study on Cybersecurity Solutions and Services for UK and Nordics region and Oracle ecosystem. He regularly writes about latest cybersecurity industry trends and works closely with ISG advisors to deliver on ad-hoc research requirements related to market, competitive intelligence & location analysis.

Data Analyst



Kiran B
Data Analyst

Kiran works as a Data Analyst and has a professional experience of 7+ years. He has pursued master's in Computer Vision and has worked in multiple fields such as IT and Hospitality. He has worked on market segmentation, customer segmentation and derived insights from customer data and had used it to generate additional revenue. He is passionate about research and interested in advanced exploratory data analysis using ML algorithms. He has also worked on data science projects such as 'Time Series Forecasting' and 'Natural Language Processing' using

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Heiko Henkes is a Director and Principal Analyst at ISG; in his role as Global ISG Provider Lens™ (IPL) Content Lead and Program Manager, he is responsible for strategic business management and acts as thought leader for IPL Lead Analysts. In his role as ISG Star of Excellence™ (SOE) Product Owner, he leads the program design and IPL integration. His core competencies are in the areas of defining derivations for all types of companies within their IT-based business model transformation.

Within this context, Mr. Henkes supports companies to undergo continuous transformation, combining IT competencies with sustainable business strategies and change management. He acts as Keynote speaker in the context of digital innovation.



*ISG Provider Lens™

ISG Provider Lens delivers leading-edge and actionable research studies, reports and consulting services focused on technology and service providers' strengths and weaknesses and how they are positioned relative to their peers in the market. These reports provide influential insights accessed by our large pool of advisors who are actively advising outsourcing deals as well as large numbers of ISG enterprise clients who are potential outsourcers.

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*ISG

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Founded in 2006, and based in Stamford, Conn., ISG employs more than 1,300 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data. For more information, visit www.isg-one.com.





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